



MAY 2007

NPI Tip Sheet

What the “Guidance on Compliance with the HIPAA National Provider Identifier (NPI) Rule” Means for Health Care Providers

On April 2, 2007, the Centers for Medicare & Medicaid Services (CMS) clarified guidelines for NPI deadline implementation.

- 💡 This guidance does not mean that you have an extra year to get an NPI.
- 💡 You still need to get an NPI by May 23, 2007. However, some covered entities that are your trading partners may not meet the May 23, 2007 deadline for compliance with the NPI regulations.
- 💡 As long as you, health plans, other health care providers, and clearinghouses with whom you do business continue to act in good faith to come into compliance--meaning you are working towards being able to accept and send NPIs--you may establish a contingency plan to facilitate the compliance of your trading partners.
- 💡 The timetable for a contingency plan is from May 23, 2007, up through May 23, 2008. However, covered entities may discontinue their contingency plans at any time prior to May 23, 2008.
- 💡 A good contingency planning strategy can help you minimize business disruptions and maintain the flow of payments, while continuing to work toward compliance.
- 💡 For a 12-month period after the compliance date (*i.e., through May 23, 2008*), CMS will not impose penalties on covered entities that set up contingency plans if they have made reasonable and diligent efforts to become compliant.
- 💡 CMS will not routinely make judgments on or approve contingency plans. It will only investigate and review contingency plans when it receives complaints about an entity's non-compliance with NPI requirements.
- 💡 By May 23, 2008 all covered entities, including small health plans, will be required to be NPI compliant. Contingency plans may not extend past May 23, 2008.

As health care providers, you need to do the following:

💡 **Apply for an NPI**

You still need to apply for an NPI right away if you have not already done so.

💡 **Update systems**

Ensure your software vendor has completed programming and testing of your office management systems, so that your NPI can be used in the HIPAA transactions.

💡 **Verify the readiness of health plans and clearinghouses**

Determine the readiness of the health plans and clearinghouses with whom you do business so that you know when you can start submitting your NPI in HIPAA transactions.

💡 **Document your efforts to become compliant**

Write down the date you applied for your NPI, how you communicated your NPI to trading partners, and the schedule of your testing.

The Medicare fee-for-service health plan released its own contingency plan on April 24, 2007. To learn more, read the Change Request available at <http://www.cms.hhs.gov/transmittals/downloads/R1227CP.pdf> and the associated MLN Matters article at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5595.pdf> on the CMS website.

For more information about the NPI, visit <http://www.cms.hhs.gov/NationalProvIdentStand/> on the CMS website.



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